

AMENDED IN ASSEMBLY APRIL 8, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1291**

**Introduced by Assembly Member Campbell**

February 21, 2003

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An act to amend Section 739 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1291, as amended, Campbell. Baseline rates: electric pumps.

(1) Existing law requires the Public Utilities Commission to designate a baseline quantity of electricity and gas necessary for a significant portion of the reasonable energy needs of the average residential customer. The commission is also required to develop a separate baseline quantity for “all-electric residential customers,” as defined, that is equal to 60% to 70% of average residential consumption during the winter heating season. Under existing law, the commission requires every electrical and gas corporation to file a schedule of rates and charges providing baseline rates.

This bill would require the commission to additionally develop a separate baseline quantity, that is equal to 60% to 70% of average residential consumption during the winter heating season, for residential customers ~~that rely upon well water that is pumped with an electric pump~~ *who live in homes that were designed to be all electric, with no access to natural gas service, that were built from 1960 to 1978, inclusive.* Since existing law makes any public utility that violates specified provisions regulating public utilities guilty of a misdemeanor,

this bill would impose a state-mandated local program by changing the definition of a crime.

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(2) *The* California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 739 of the Public Utilities Code is  
2 amended to read:

3 739. (a) The commission shall designate a baseline quantity  
4 of gas and electricity which is necessary to supply a significant  
5 portion of the reasonable energy needs of the average residential  
6 customer. In estimating those quantities, the commission shall take  
7 into account differentials in energy needs between customers  
8 whose residential energy needs are currently supplied by  
9 electricity alone or by both electricity and gas. The commission  
10 shall develop a separate baseline quantity for ~~all electric~~  
11 ~~residential customers and for electric pump residential customers.~~  
12 ~~For these purposes, “all electric residential customers” are~~  
13 ~~residential customers having electrical service only or whose~~  
14 ~~space heating is provided by electricity, or both, and “electric~~  
15 ~~pump residential customers” are residential customers that rely~~  
16 ~~upon well water that is pumped by an electric pump. The~~  
17 ~~commission shall also take into account differentials in energy use~~  
18 ~~by climatic zone and season. customers living in homes that were~~  
19 ~~designed to be all electric, with no access to natural gas service,~~  
20 ~~that were built from 1960 to 1978, inclusive.~~

21 (b) (1) The commission shall establish a standard limited  
22 allowance which shall be in addition to the baseline quantity of gas  
23 and electricity for residential customers dependent on life-support  
24 equipment, including, but not limited to, emphysema and  
25 pulmonary patients. A residential customer dependent on

1 life-support equipment shall be given a higher energy allocation  
2 than the average residential customer.

3 (2) “Life-support equipment” means that equipment which  
4 utilizes mechanical or artificial means to sustain, restore, or  
5 supplant a vital function, or mechanical equipment which is relied  
6 upon for mobility both within and outside of buildings.  
7 “Life-support equipment,” as used in this subdivision, includes  
8 all of the following: all types of respirators, iron lungs,  
9 hemodialysis machines, suction machines, electric nerve  
10 stimulators, pressure pads and pumps, aerosol tents, electrostatic  
11 and ultrasonic nebulizers, compressors, IPPB machines, and  
12 motorized wheelchairs.

13 (3) The limited additional allowance shall also be made  
14 available to paraplegic and quadriplegic persons in consideration  
15 of the increased heating and cooling needs of those persons.

16 (4) The limited additional allowance shall also be made  
17 available to multiple sclerosis patients in consideration of the  
18 increased heating and cooling needs of those persons.

19 (5) The limited additional allowance shall also be made  
20 available to scleroderma patients in consideration of the increased  
21 heating needs of those persons.

22 (6) The limited allowance shall also be made available to  
23 persons who are being treated for a life-threatening illness or have  
24 a compromised immune system, provided that a licensed  
25 physician and surgeon or a person licensed pursuant to the  
26 Osteopathic Initiative Act certifies in writing to the utility that the  
27 additional heating or cooling allowance, or both, made available  
28 pursuant to this subdivision is medically necessary to sustain the  
29 life of the person or prevent deterioration of the person’s medical  
30 condition.

31 (c) (1) The commission shall require that every electrical and  
32 gas corporation file a schedule of rates and charges providing  
33 baseline rates. The baseline rates shall apply to the first or lowest  
34 block of an increasing block rate structure which shall be the  
35 baseline quantity. In establishing these rates, the commission shall  
36 avoid excessive rate increases for residential customers, and shall  
37 establish an appropriate gradual differential between the rates for  
38 the respective blocks of usage.

39 (2) In establishing residential electric and gas rates, including  
40 baseline rates, the commission shall assure that the rates are

1 sufficient to enable the electrical corporation or gas corporation to  
2 recover a just and reasonable amount of revenue from residential  
3 customers as a class, while observing the principle that electricity  
4 and gas services are necessities, for which a low affordable rate is  
5 desirable and while observing the principle that conservation is  
6 desirable in order to maintain an affordable bill.

7 (3) At least until December 31, 2003, the commission shall  
8 require that all charges for residential electric customers are  
9 volumetric, and shall prohibit any electrical corporation from  
10 imposing any charges on residential consumption that are  
11 independent of consumption, unless those charges are in place  
12 prior to the effective date of the act that added this paragraph.

13 (d) As used in this section:

14 (1) "Baseline quantity" means a quantity of electricity or gas  
15 for residential customers to be established by the commission  
16 based on from 50 to 60 percent of average residential consumption  
17 of these commodities, except that, for residential gas customers,  
18 all-electric residential customers, and electric pump residential  
19 customers, the baseline quantity shall be established at from 60 to  
20 70 percent of average residential consumption during the winter  
21 heating season. In establishing the baseline quantities, the  
22 commission shall take into account climatic and seasonal  
23 variations in consumption and the availability of gas service. The  
24 commission shall review and revise baseline quantities as average  
25 consumption patterns change in order to maintain these ratios.

26 (2) "Residential customer" means those customers receiving  
27 electrical or gas service pursuant to a domestic rate schedule and  
28 excludes industrial, commercial, and every other category of  
29 customer.

30 (e) Wholesale electrical or gas purchases, and the rates charged  
31 therefor, are exempt from this section.

32 (f) Nothing contained in this section shall be construed to  
33 prohibit experimentation with alternative gas or electrical rate  
34 schedules for the purpose of achieving energy conservation.

35 SEC. 2. No reimbursement is required by this act pursuant to  
36 Section 6 of Article XIII B of the California Constitution because  
37 the only costs that may be incurred by a local agency or school  
38 district will be incurred because this act creates a new crime or  
39 infraction, eliminates a crime or infraction, or changes the penalty  
40 for a crime or infraction, within the meaning of Section 17556 of

1 the Government Code, or changes the definition of a crime within  
2 the meaning of Section 6 of Article XIII B of the California  
3 Constitution.

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